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Attorneys for: PennyMac Loan Services, LLC. as servicer for PennyMac Corp.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA – SAN FRANCISCO DIVISION

In re

JINNIE JINHUEI CHANG CHAO,

Debtor.

Case No. 15-31519-DM

Chapter 11

**STIPULATION RE TREATMENT OF
CLAIM UNDER DEBTOR'S
PROPOSED CHAPTER 11 PLAN OF
REORGANIZATION**

SUBJECT PROPERTY:

30 Pilarcitos Court
Hillsborough, California 94010

This Stipulation is entered into by and between PennyMac Loan Services, LLC. as servicer for PennyMac Corp. ("Creditor") by and through its attorneys of record, and Debtor, Jinnie Jinhuei Chang Choa ("Debtor"), by her attorney of record.

The property which is the subject of this matter is commonly known as 30 Pilarcitos Court Hillsborough, California ("Property"), which is more fully described in the Deed of Trust. (*See* Claim No. 6).

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1 On April 4, 2005, Debtor executed a promissory note (the “Note”) in the principal sum of
2 \$1,700,000.00. The Note is secured by a Deed of Trust (the “Deed of Trust”) granting an interest in
3 the Property. The Deed of Trust reflects that it was duly recorded in the County Recorder’s Office.
4 Subsequently, interest in the Note and Deed of Trust was assigned to Creditor. (See Claim No. 6).

5 On December 4, 2015, Debtor commenced the instant bankruptcy case, by filing a voluntary
6 petition under Chapter 11 of the Bankruptcy Code in the Northern District of California – San
7 Francisco Division, and was assigned bankruptcy case number 15-31519-DM (the “Bankruptcy
8 Case”). (See Dkt. No. 1).

9 On April 5, 2016, Creditor filed its Proof of Claim listing a secured claim of \$1,821,433.95,
10 including pre-petition arrears of \$242,033.88. (See Claim No. 6-1).

11 **THE PARTIES STIPULATE AS FOLLOWS:**

12 1. Creditor shall have a fully secured claim in the amount of \$1,961,560.85 (the
13 “Secured Claim”) amortized over thirty (30) years at 4.75% fixed interest per annum in the Debtor’s
14 Chapter 11 Plan.

15 3. Debtor shall tender monthly principal and interest payments (“Principal and Interest
16 Payments”) in the sum of **\$10,232.43** to Creditor for the Secured Claim commencing **July 1, 2017**,
17 and continuing on the same day of each month thereafter until the Secured Claim is paid in full.

18 4. In addition to Principal and Interest Payments, Debtor shall make monthly escrow
19 payments to Creditor for real property tax advances and hazard insurance advances made by Creditor
20 (“Escrow Payments”) commencing **July 1, 2017**, subject to change pursuant to the terms of the
21 Subject Loan. Debtor must obtain PennyMac’s express written consent if she wishes to de-escrow
22 the account.

23 6. Except as otherwise expressly provided herein, all remaining terms of the Note and
24 Deed of Trust shall govern the treatment of Creditor’s Secured Claim.

25 **Pre-Confirmation Default**

26 4. In the event of a pre-confirmation default under this Stipulation, Creditor may file a
27 Motion for Relief From the Automatic Stay (“Motion for Relief”).

28 5. In the event Creditor is granted relief from the automatic stay, Debtor agrees to waive

1 the 14-day stay provided by Bankruptcy Rule 4001(a)(3).

2 6. In the event the Debtor defaults under this Stipulation and Creditor files a Motion for
3 Relief, Debtor shall be required to pay the reasonable fees and costs associated with filing the
4 Motion for Relief in order to cure the default.

5 **Post-Confirmation Default**

6 7. The confirmation order will constitute an order for relief from stay. However,
7 Creditor will not take any action to enforce either the pre-confirmation obligation or the obligation
8 due under this Stipulation/Plan, so long as Debtor is not in default under the terms of the Note and
9 Deed of Trust, as modified by this Stipulation/Plan.

10 8. In the event of a default, Creditor may: (i) file and serve a motion dismiss the case or
11 convert the case to Chapter 7; or (ii) without further order of the court has relief from stay to the
12 extent necessary, and may pursue its lawful remedies to enforce and collect Debtor's pre-
13 confirmation obligation.

14 9. The acceptance by Creditor (and/ or its servicer) of a late or partial payment shall not
15 act as a waiver of Creditor's right to proceed hereunder.

16 **Miscellaneous Provisions**

17 10. The Debtor shall (i) file a Chapter 11 Plan that incorporates the terms of this
18 Stipulation by reference to docket number and/or (ii) the confirmation order shall expressly
19 incorporate the terms of this Stipulation by reference to docket number.

20 11. The terms of this Stipulation may not be modified, altered, or changed by the Debtor's
21 Chapter 11 Plan, any confirmation order thereon, any subsequently filed Amended Chapter 11 Plan
22 of Reorganization and any confirmed order thereon without Debtor first attempting to seek the
23 express written consent of Creditor's counsel. If Creditor's counsel denies Debtor's request to
24 modify the terms of this Stipulation, Debtor may seek court approval to modify the terms of the
25 Stipulation after notice to Creditor's counsel and a hearing. However, Creditor reserves its rights to
26 object to confirmation of the Debtor's Chapter 11 Plan of Reorganization/submit a timely ballot
27 rejecting confirmation of the Debtor's Chapter 11 Plan of Reorganization.

28 12. In the event the Debtor's case is dismissed or converted to any other chapter under

1 Title 11 of the United States Bankruptcy Code prior to completion of the Debtor's Chapter 11 Plan
2 payments, receipt of a discharge, and entry of a final decree, the terms of this Stipulation shall be
3 void and Creditor shall retain its lien in the full amount due under the Note (i.e., the pre-Stipulation
4 terms).

5 13. Payments to Creditor will continue past the date Debtor obtains a discharge.
6 However, Creditor's rights against the Subject Property shall not be affected by the entry of a
7 discharge, but shall continue to be governed by the terms of the Note and Deed of Trust, as modified
8 by this Stipulation/Plan.

9 14. At the request of Creditor, the Debtor shall execute such documents and instruments
10 as are necessary to reflect the Debtor as the borrower of the Secured Claim, and to modify the terms
11 of the obligation to conform to the provisions with this Stipulation/Plan.

12 15. In the event the Debtor seeks to sell the Property prior to receipt of a discharge, the
13 parties shall retain all rights under 11 U.S.C. §363.

14 16. Creditor shall not be required to release the loan from bankruptcy status and/or
15 resume regular monthly statements until entry of a final decree and the close of the Debtor's Chapter
16 11 case.

17 17. In the event the Debtor asserts that Creditor has failed to properly update its internal
18 system to comply with the terms of this Stipulation within a reasonable period of time after an order
19 is entered confirming the Debtor's Chapter 11 Plan of Reorganization, which shall be no less than
20 ninety (90) days after entry of the Order Confirming Debtor's Plan, the Debtor shall be required to
21 provide written notice of the alleged lack of compliance to Creditor and Creditor's counsel of record,
22 Aldridge Pite, LLP at 4375 Jutland Drive, Suite 200, San Diego, CA 92117, indicating the nature of
23 the alleged lack of compliance. If Creditor fails to either remedy the alleged lack of compliance
24 and/or provide an explanation refuting the Debtor's allegation after the passage of ninety (90) days
25 from the date Creditor receives said written notice (the "Meet and Confer Period") Debtor may
26 proceed with filing the appropriate motion in bankruptcy court seeking Creditor's compliance.
27 However, provided Creditor has in good faith sought to remedy Debtor's grievance during the Meet
28 and Confer Period, Debtor shall not request an award of his/her attorneys' fees and costs nor

1 sanctions as a result of filing said motion.

2 18. The Parties to this Stipulation waive any and all claims and causes of action, whether
3 known or unknown, they currently have against each other, and their respective agents, parents,
4 affiliates, subsidiaries, attorneys, predecessors, current and subsequent holders of the Loan,
5 successors and assigns in relation to the Loan and any and all agreements which exist between them
6 regarding or relating to the Loan prior to the date of this Stipulation. This waiver includes Debtor's
7 right to object to Creditor's claim. All Parties to this Stipulation also release each other and their
8 respective agents, parents, affiliates, subsidiaries, attorneys, predecessors, current and subsequent
9 holders of the Loan, successors and assigns from any liability in relation to the Loan prior to the date
10 of this Stipulation; and

11 19. In exchange for the foregoing and after approval of Debtor's Disclosure Statement,
12 Creditor will execute a ballot voting in favor of Debtor's treatment of its Secured Claim under
13 Debtor's Chapter 11 Plan of Reorganization.

14 **IT IS SO STIPULATED:**

15 Dated: June 26, 2017

16 Onyinye N. Anyama
17 **ONYI N. ANYAMA**
18 Attorney for Debtor

19 **ALDRIDGE | PITE, LLP**

20 Dated: 6/27/2017

21 /s/
22 Gilbert R. Yabes
23 **GILBERT R. YABES**

24 Attorneys for PennyMac Loan Services, LLC. as
25 servicer for PennyMac Corp.
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